

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2774-05
Bill No.: Perfected HS for HB 1307
Subject: Boats and Watercraft; Water Patrol.
Type: Original
Date: April 30, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	\$0	\$0
Missouri Boating Safety Education	\$211,593	\$89,045	\$19,552
Total Estimated Net Effect on <u>All</u> State Funds	\$211,593	\$89,045	\$19,552

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Water Patrol (MWP)** assume the additional manpower to support the new law will necessitate 1 additional Sergeant (at \$47,100), a Clerk Typist III (at \$23,184) and a Clerk Typist II (at \$20,472). The Sergeant is necessary to administer the mandatory education program and the Clerk Typist III & II are needed to process clerical information for the Safety Education Program. A total of 3 additional FTE's and the necessary E&E are estimated by MWP to cost \$183,104 in FY 2003, \$174,355 in FY 2004 and \$178,943 in FY 2005. Certain expenses were based on equipment needed to replace an officer in the field who would be moved to headquarters as a result of the proposal.

MWP states that the number of watercraft registrations for a year does not reflect the age group that is targeted in this legislation. The revenue for the license that would be received for the successful completion of the Boating Safety course would not be recognized until after the Mandatory Education Program was established. MWP states they cannot absorb the impact of establishing this new program under its present budget conditions and startup funds will be necessary to establish this program.

MWP states they do not know how many persons will apply for this operators license, but state that initially there would be a many requests, and then eventually the demand would decrease to a relatively stable amount. MWP estimated that in the first year there would be approximately 30,000 persons applying for the certificate, 20,000 in the second year, and then 15,000 in the third and subsequent years. MWP also estimated that they would need to charge roughly \$15.00 per license to cover the cost of the requested FTEs and the other expenses of administering the program.

Oversight assumes MWP may charge a fee for the card that does not substantially exceed the costs of administrating this section. According to the Department of Revenue (DOR) 2000 Comprehensive Annual Financial Report, the Department of Revenue processed 119,405 watercraft registrations in 2002, 113,504 in 1999 and 116,500 in 1998. This was based on a 3-year renewal, so the assumption is made that there are actually 349,409 marine vessels currently registered in Missouri. In a fiscal note for similar legislation in a previous year, Oversight utilized the number of boat registrations to estimate the number of persons that would be issued the identification card each year. This year, however, Oversight has received the estimate by MWP regarding the number of possible applicants (30,000 initially) and the prospective fee (\$15.00) to be charged, and have utilized these estimates.

Since the application is a one-time occurrence with no renewal, **Oversight** assumes the volume of cards issued will decrease in subsequent years. For purposes of this fiscal note, in order to cover costs in the third and subsequent years, Oversight assumes fee revenue to MWP based on \$15.00 per card issued.

ASSUMPTION (continued)

Officials from the **Missouri Department of Conservation** stated that they are charged \$2.00 to produce each Hunter Safety Education identification card by a vendor. For the two dollar fee, the vendor prints the card with the hunters' information as well as mails the card.

Oversight will utilize the estimate of \$2.00 per card to produce and a fee of \$15.00 charged to each licensee.

	FY 2003 (30,000)	FY 2004 (20,000)	FY 2005 (15,000)
I.D.Production Costs (\$2 each)	(\$60,000)	(\$40,000)	(\$30,000)
Fees received (\$15 each)	\$450,000	\$300,000	\$225,000

Oversight assumes if volumes are not as anticipated or if production costs vary significantly, the MWP would adjust fee charged for the card accordingly.

Officials from the **Office of Prosecution Services** assumes any fiscal impact resulting from this proposal could be absorbed with existing resources.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Missouri State Water Patrol's and the Department of Revenue's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 10 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 15 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal is estimated to be \$615, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal; however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue** and the **State Treasurer's Office** each assume this proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

Officials from the **Office of the State Public Defender** assumes that existing staff could provide

representation for those 20-25 cases arising where indigent persons were charged with operating a boat without a license. However, passage of more than one similar bill would require the State Public Defender System to request increased appropriations to cover cumulative cost of representing the indigent accused in the additional cases.

Officials from the **Office of State Courts Administrator (CTS)** assume this proposal would require persons under twenty-one to obtain what amounts to a license to operate a motorboat. Violations would be a misdemeanor. Violators must complete a boating safety education course and file proof of completion with the courts. The proposal would also increase to 16 the age at which a person may operate a motorboat without supervision.

CTS assumes that depending on the degree of enforcement, there could be an impact on some courts. However, CTS assumes that after a period of adjustment, there will be substantial compliance and therefore, no long-term workload impact.

Oversight assumes the revenue generated from the identification cards will be deposited into the General Revenue Fund and in turn will be appropriated out to the newly created Missouri Boating Safety Education Fund to cover expenses incurred by the Missouri State Water Patrol for the implementation of this program.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Income</u> - Missouri Water Patrol (MWP)			
I.D. Fees	\$450,000	\$300,000	\$225,000
<u>Transfer Out</u> - to the Missouri Boating Safety Education Fund	<u>(\$450,000)</u>	<u>(\$300,000)</u>	<u>(\$225,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
MISSOURI BOATING SAFETY EDUCATION FUND			
<u>Transfer In</u> - from General Revenue	\$450,000	\$300,000	\$225,000

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Costs</u> - Missouri Water Patrol (MWP)			
Personal Service (3 FTE)	(\$75,861)	(\$93,308)	(\$95,641)
Fringe Benefits	(\$27,318)	(\$33,600)	(\$34,440)
Expense and Equipment	(\$75,228)	(\$44,047)	(\$45,367)
I.D. Production	<u>(\$60,000)</u>	<u>(\$40,000)</u>	<u>(\$30,000)</u>
<u>Total Costs</u> - MWP	<u>(\$238,407)</u>	<u>(\$210,955)</u>	<u>(\$205,448)</u>
 ESTIMATED NET EFFECT ON MISSOURI BOATING SAFETY EDUCATION FUND	 <u>\$211,593</u>	 <u>\$89,045</u>	 <u>\$19,552</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires any person born after August 28, 1981, to possess a boating safety identification card in order to operate a vessel or personal watercraft. The Missouri State Water Patrol will issue the card. The card will be issued to persons who:

- (1) have successfully completed a boating safety course approved by the National Association of State Boating Law Administrators and certified by the Missouri State Water Patrol;
- (2) have passed an equivalency examination prepared and administered by the Missouri Water Patrol; or
- (3) hold a valid master's, mate's, or operator's license issued by the United States Coast Guard.

DESCRIPTION (continued)

The Water Patrol may charge a fee for the card that does not substantially exceed the administrative cost of this provision. Proceeds from the fee shall be deposited into the General Revenue Fund. The proposal lists various persons to whom this proposal would not apply, such as operators of a vessel or personal watercraft only on a private lake or pond that is not classified as waters of the state.

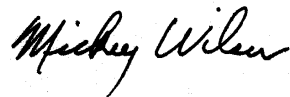
The proposal also requires that any person convicted of certain boating offenses must enroll and complete a boating safety education course which meets the Water Patrol's minimum standards, file proof of successful completion of the course with the court, and not operate a vessel until filing proof.

The proposal establishes the Missouri Boating Safety Education Fund to be used solely for the purpose of boating safety education.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Missouri Water Patrol
Office of the State Courts Administrator
Department of Revenue
State Treasurer's Office
Office of Prosecution Services
Office of the State Public Defender
Office of the Secretary of State



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April 30, 2002